

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-02483A
Tonto Hills Utility Company
11802 E. Blue Wash Road
Cave Creek AZ 85331-0000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
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RECEIVED

APR 18 2005

AZ Corporation Commission
Director Of Utilities

FOR COMMISSION USE

ANN04	04
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COMPANY INFORMATION

Company Name (Business Name) <u>Tonto Hills Utility Co</u>		
Mailing Address <u>11802 E. Blue Wash Rd.</u>		
<u>Cave Creek</u> (City)	<u>Ar</u> (State)	<u>85331</u> (Zip)
<u>480 488-0253</u> Telephone No. (Include Area Code)	<u>480 922-9872</u> Fax No. (Include Area Code)	<u> </u> Pager/Cell No. (Include Area Code)
Email Address <u> </u>		
Local Office Mailing Address <u>11802 E. Blue Wash Rd</u>		
<u>Cave Creek</u> (City)	<u>Ar</u> (State)	<u>85331</u> (Zip)
<u>480 488-0253</u> Local Office Telephone No. (Include Area Code)	<u>480 922-9872</u> Fax No. (Include Area Code)	<u> </u> Pager/Cell No. (Include Area Code)
Email Address <u> </u>		

MANAGEMENT INFORMATION

Management Contact: <u>Don Unthank</u>		<u>President</u>
(Name)		(Title)
<u>11802 E. Blue Wash Rd</u> (Street)	<u>Cave Creek</u> (City)	<u>Ar</u> (State)
<u>85331</u> (Zip)	<u> </u>	
<u>480 488-0253</u> Telephone No. (Include Area Code)	<u>480 922-9872</u> Fax No. (Include Area Code)	<u> </u> Pager/Cell No. (Include Area Code)
Email Address <u> </u>		
On Site Manager: <u>Don Frederick</u>		
(Name)		
<u>11431 E. Manana</u> (Street)	<u>Cave Creek</u> (City)	<u>Ar</u> (State)
<u>85331</u> (Zip)	<u> </u>	
<u>480 575-3025</u> Telephone No. (Include Area Code)	<u>480 488-9389</u> Fax No. (Include Area Code)	<u> </u> Pager/Cell No. (Include Area Code)
Email Address <u> </u>		

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Robert A. Johnston, Jr.
 (Name)
6702 E. Camel Creek Rd, #3 Camel Creek Az 85331
 (Street) (City) (State) (Zip)
480 488-3825 480 488-5571
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)
 Attorney: Rose Brown + Associates PC
 (Name)
11209 N. Tatum Blvd, Suite 130 Phoenix Az 85028
 (Street) (City) (State) (Zip)
602 971-4800
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME Tonto Hills Utility Co.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	385		385
302	Franchises	0		
303	Land and Land Rights	448219		448219
304	Structures and Improvements	2277	882	1395
307	Wells and Springs	50197	40706	9491
311	Pumping Equipment	47247	17561	29686
320	Water Treatment Equipment	26269	14369	11900
330	Distribution Reservoirs and Standpipes	12200	7920	4280
331	Transmission and Distribution Mains	13063	109489	26574
333	Services	14598	6103	8495
334	Meters and Meter Installations	3650	1890	1760
335	Hydrants	1325	299	1026
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	6231	2141	4090
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	14150	1948	12202
348	Other Tangible Plant			
	TOTALS	762811	203308	559503

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Tonto Hills Utility Co.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	385		
302	Franchises			
303	Land and Land Rights	448219		
304	Structures and Improvements	2277	5%	114
307	Wells and Springs	50197	/	2510
311	Pumping Equipment	47247		2362
320	Water Treatment Equipment	26269		1313
330	Distribution Reservoirs and Standpipes	12200		610
331	Transmission and Distribution Mains	136063		6803
333	Services	14598		730
334	Meters and Meter Installations	3650		183
335	Hydrants	1325		66
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	6231	5%	312
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	14150	5%	707
348	Other Tangible Plant			
	TOTALS	349874		15,710

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME

Tonto Hills Utility Co

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 27,134	\$ 16,708
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	11,235	11,144
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	1,305.3	1,796.9
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 51,422	\$ 45,821
	FIXED ASSETS		
101	Utility Plant in Service	\$ 762,811	\$ 762,811
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(187,598)	(203,308)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 575,213	\$ 559,503
	<i>Acquisition Adjustment</i>	(8,790)	(6,154)
	TOTAL ASSETS	\$ 566,423	\$ 553,349

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME TONTON HILLS UTILITY Co.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	14,466	18619
236	Accrued Taxes	1723	2481
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	208	208
	TOTAL CURRENT LIABILITIES	\$ 16397	\$ 21,308
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 257213	\$ 249,427
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	681	681
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 681	\$ 681
	TOTAL LIABILITIES	\$ 274291	\$ 271416
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 66000	\$ 66000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	292479	378,851
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 358,479	\$ 444,851
	TOTAL LIABILITIES AND CAPITAL	\$ 632,770	\$ 716,267

COMPANY NAME Tonto Hills Utility Co.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 120532	\$ 130203
460	Unmetered Water Revenue		
474	Other Water Revenues		350
	TOTAL REVENUES	\$ 120532	\$ 130553
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 7419	\$ 7064
610	Purchased Water	12201	30481
615	Purchased Power	5870	2874
618	Chemicals	1446	403
620	Repairs and Maintenance	176	2286
621	Office Supplies and Expense	1100	2034
630	Outside Services	21418	34677
635	Water Testing	11814	6697
641	Rents	584	
650	Transportation Expenses		
657	Insurance - General Liability	17577	19731
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	241	542
403	Depreciation Expense	15710	15710
408	Taxes Other Than Income	5775	
408.11	Property Taxes	4161	3881
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 105492	\$ 126370
	OPERATING INCOME/(LOSS)	\$ 15040	\$ 4183
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 196	\$ 76
421	Non-Utility Income		3585
426	Miscellaneous Non-Utility Expenses	(212)	
427	Interest Expense	(13,555)	(14561)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (13,571)	\$ (10,900)
	NET INCOME/(LOSS)	\$ 1469	\$ (6717)

COMPANY NAME

TONTON HILLS UTILITY Co.

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	12-17-99			
Source of Loan	W.I.F.A.			
ACC Decision No.	62286			
Reason for Loan	CAP Water Source			
Dollar Amount Issued	\$285,841.60	\$	\$	\$
Amount Outstanding	\$249,427.14	\$	\$	\$
Date of Maturity	1-1-2020			
Interest Rate	6.2 %	%	%	%
Current Year Interest	\$13,581.23	\$	\$	\$
Current Year Principle	\$77,856.5	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 186,185.4

Meter Deposits Refunded During the Test Year

\$

COMPANY NAME TONTA HILLS UTILITY Co.

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-524-069	7.5	11.1	990	8"	Two 3/4"	?
<u>ABOVE WELL WAS DE COMMISSIONED ON</u>					12/27/04	

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
C.A.P. WATER THRU CITY OF SCOTTSDALE SYSTEM	20	6,413,725

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	1		7

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
64,000 GAL.	1		
17,000 GAL.	1		

COMPANY NAME TOWTO HILLS UTILITY Co.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	TRANSITE	3282
3 4"	PLASTIC	4460
6	TRANSITE	17,733
6 1/2"	PLASTIC	3,400
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	128
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

TWO COLLIGAN HI FLO SORTERER UNITS

STRUCTURES:

CONCRETE BLOCK BLDG. CONTAINING THE ABOVE
SORTERERS

OTHER:

COMPANY NAME: Tonyo Hills Utility Co.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	115	655,400	433,420
FEBRUARY	115	690,350	419,130
MARCH	115	709,160	416,290
APRIL	115	701,152	210,849
MAY	118	894,330	
JUNE	117	891,100	WELL NOT
JULY	118	905,760	IN USE B&-
AUGUST	117	1,019,020	YOND 26
SEPTEMBER	117	943,734	APRIL, 2004
OCTOBER	118	920,222	
NOVEMBER	119	809,304	
DECEMBER	122	740,640	
TOTAL			1,479,689

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes

☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes

☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 0.0082 mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME TONTA HILLS UTILITY Co. YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 3881.17

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME Tomb Hills Utility Co. YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported
Estimated or Actual Federal Tax Liability

(11,209)
0

State Taxable Income Reported
Estimated or Actual State Tax Liability

(11,251)
0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/Advances

0
0
0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Donald J. Untchank

SIGNATURE

4-13-05

DATE

DONALD J. UNTCHANK

PRINTED NAME

PRES.

TITLE

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

RECEIVED

APR 18 2005

VERIFICATION

AZ Corporation Commission
Director Of Utilities

STATE OF _____

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	MARICOPA
NAME (OWNER OR OFFICIAL) TITLE	Donal J. [Signature], PRES.
COMPANY NAME	Tonto Hills Utility Co.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 134214

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 7878.13
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

[Signature]
SIGNATURE OF OWNER OR OFFICIAL
480 488 0253
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

13

DAY OF

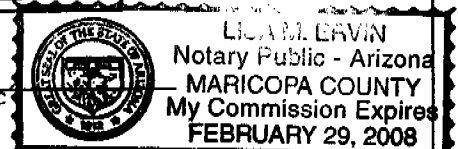
(SEAL)

MY COMMISSION EXPIRES

2-29-08

COUNTY NAME	Maricopa
MONTH	April
YEAR	2005

[Signature]
SIGNATURE OF NOTARY PUBLIC



VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

APR 18 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>MARICOPA</u>	
NAME (OWNER OR OFFICIAL) <u>[Signature]</u>	TITLE <u>PRES.</u>
COMPANY NAME <u>TONTA HILLS UTILITY CO.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 134,214

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 7878.13
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

[Signature]
SIGNATURE OF OWNER OR OFFICIAL
480 488 0253
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 13th DAY OF

(SEAL)

MY COMMISSION EXPIRES 2-29-08

NOTARY PUBLIC NAME <u>Lisa M. Ervin</u>	
COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	YEAR <u>2005</u>

x [Signature]
SIGNATURE OF NOTARY PUBLIC
LISA M. ERVIN
Notary Public - Arizona
MARICOPA COUNTY
My Commission Expires
FEBRUARY 29, 2008

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

4:42 PM
04/12/05
Accrual Basis

TONTO HILLS UTILITY CO.
Profit & Loss
January through December 2004

	Jan - Dec 04	
Ordinary Income/Expense		
Income		
Reconnect Fee	125.00	
Establishment Fees	225.00	
Interest Income	76.46	
Uncategorized Income	948.60	
Fees	122,324.45	- Does not include sales tax.
Total Income	123,699.51	not added to revenue
Expense		
Advertising	0.00	
Bank Service Charges	-0.30	
Consulting Services	14,150.00	
Contributions	542.01	
Dues & Subscriptions	13.64	
Equipment Rental	286.97	
Insurance		
Liability Insurance	19,541.32	
Work Comp	190.00	
Total Insurance	19,731.32	
Interest Expense	14,561.23	
Licenses and Permits	1,040.37	
Office Supplies	158.54	
Outside Services	4,550.75	
Payroll Expenses	7,057.56	
Payroll Taxes	6.62	
Postage	821.17	
Professional Fees		
Accounting	11,075.00	
Legal Fees	4,901.12	
Total Professional Fees	15,976.12	
Repairs & Maintenance	29.86	
Supplies	2,372.14	
Taxes		
Sales	-10.48	
Property	3,881.17	
Total Taxes	3,870.69	
Utilities		
Gas and Electric	2,873.68	
Total Utilities	2,873.68	
Water Delivery	30,481.25	
Water Testing	6,697.24	
Uncategorized Expenses	0.00	
Total Expense	125,220.86	
Net Ordinary Income	-1,521.35	
Other Income/Expense		
Other Income		
Acquisition Adj - Income	2,636.00	
Total Other Income	2,636.00	
Net Other Income	2,636.00	
Net Income	1,114.65	

TONTO HILLS UTILITY CO.
Balance Sheet
As of December 31, 2004

	Dec 31, 04
ASSETS	
Current Assets	
Checking/Savings	
Checking	6,111.49
Founders Bank Money Mkt	10,596.93
Total Checking/Savings	16,708.42
Accounts Receivable	
Accounts Receivable	11,144.09
Total Accounts Receivable	11,144.09
Other Current Assets	
Credit - McVety	150.94
Undeposited Funds	861.16
Total Other Current Assets	1,012.10
Total Current Assets	28,864.61
Fixed Assets	
Printer-2000	210.43
Fixed Assets	
Copier-2000	535.49
Collective Reservoirs	3,205.78
Acc. Dep. Collective Res.	-1,471.91
Distribution Mains	
Distribution Mains	133,769.92
Acc. Dep. Dist. Main	-95,797.21
Distribution Mains - 96	2,293.00
Acc Depr - 96 Dist Mains	-86.00
Total Distribution Mains	40,179.71
Distr Reservoirs	
Distribution Reservoirs	8,994.71
Acc. Dep. Dist. Reservoirs	-5,228.14
Total Distr Reservoirs	3,766.57
Fire Hydrants	
Fire Hydrants	767.51
Acc. Dep. Fire Hydrants	-145.76
Fire Hydrants - 96	557.00
Acc Depr - 96 Fire Hydrants	-21.00
Total Fire Hydrants	1,157.75
Miscellaneous Plant	
Misc. Tanks-2002	7,675.10
Misc. Plant	726.82
Acc. Dep. Misc. Plant	-317.86
Misc. Plant Equip - 96	5,748.00
Acc Depr - 96 Misc Plant	-216.00
Total Miscellaneous Plant	13,616.06
Office Equipment	
Office Equip	5,484.90
Acc. Dep. Office Equip.	-1,516.91
Total Office Equipment	3,967.99
Pump Equipment	
Pumping Equipment-97	7,484.19
Pumping Equipment	36,593.36
Acc. Dep. Pumping Equip.	-12,796.52
Pumping Equipment - 96	1,071.00
Acc Depr - 96 Pumping Equip	-40.00
Total Pump Equipment	32,312.03
Structures & Improvements	
Struct & Imprvmnts	1,672.54

4:41 PM
04/12/05
Accrual Basis

TONTO HILLS UTILITY CO.
Balance Sheet
As of December 31, 2004

	Dec 31, 04
Acc. Dep. Structures	-647.18
Pipes - Pump House - 96	604.50
Acc Depr - 96 Struct & Impr	-7.00
Total Structures & Improvements	1,622.86
Water Meters	
Meters	18,195.79
Acc. Dep. Meters	-6,121.12
Meters - 96	1,192.99
Acc Depr - 96 Meters	-45.00
Total Water Meters	13,222.66
Water Treatment Plant	
Water Treatmnt Plant	26,269.10
Acc. Dep. Water Trtmnt Plant	-11,742.79
Total Water Treatment Plant	14,526.31
Wells	
Wells	50,196.90
Acc. Dep. Wells	-35,686.40
Total Wells	14,510.50
Total Fixed Assets	141,151.80
Total Fixed Assets	141,362.23
Other Assets	
CAP Water	412,936.39
Debt Service Reserve	17,817.77
Land	35,281.96
Intangible Assets	
Deposit	815.00
Aquisition Adjustment (Net)	-6,154.00
Franchises	15.54
Organization Costs	369.09
Total Intangible Assets	-4,954.37
Total Other Assets	461,081.75
TOTAL ASSETS	631,308.59
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Sales Tax Payable	595.81
Misc. Accrued Liabilities	207.50
Payroll Liabilities	1,885.30
Total Other Current Liabilities	2,688.61
Total Current Liabilities	2,688.61
Long Term Liabilities	
Renter Security Deposit	300.00
WIFA Loan	249,427.14
Meter Deposits	18,618.54
Contribution-Fire Hydrants	681.00
Total Long Term Liabilities	269,026.68
Total Liabilities	271,715.29
Equity	
Partner Distributions	-86,372.05
Common Stock Issued	66,000.00
Retained Earnings	378,850.70
Net Income	1,114.65

4:41 PM

04/12/05

Accrual Basis

TONTO HILLS UTILITY CO.

Balance Sheet

As of December 31, 2004

	<u>Dec 31, 04</u>
Total Equity	<u>359,593.30</u>
TOTAL LIABILITIES & EQUITY	<u>631,308.59</u>



**MARICOPA COUNTY
TREASURER**

DOUG TODD, TREASURER
301 W JEFFERSON ST - RM 100
PHOENIX, AZ 85003-2199
http://treasurer.maricopa.gov

PHONE NUMBERS ON OTHER SIDE

SEC/LOT

PROPERTY DESCRIPTION

TWN/BLK RNG/TR

TOTAL VALUE OF OPERATING PROPERTY



TONTO HILLS UTILITY CO
11802 E BLUE WASH RD
CAVE CREEK, AZ 85331-2841

**MARICOPA COUNTY
2004 PROPERTY TAX
STATEMENT**

NOTICE: SEE REVERSE SIDE FOR
IMPORTANT INFORMATION.

\$25.00 CHARGE IF CHECK
FAILS TO CLEAR BANK.

YOUR CHECK IS YOUR RECEIPT.

LIMITED (PRIMARY) VALUES				PRIMARY	COMPARATIVE 2003 AMT	2004 DISTRIBUTION		OFFICE USE ONLY
TYPE	LIMITED	%	ASSESSED			RATE / 100	2004 AMT DUE	
LAND/BLDG PERSONAL EXEMPTION	2498 204502	25.0	625 51126	COUNTY EDUC. EQUAL CITY SCHOOL CO. EDUC COMM. COL.	611.48 238.21 1530.05 475.20	12108 04560 25340 9211	626.60 235.99 1311.37 476.68	PRTKEY= SEQ= 5013 MTG= LOAN#=
PRIM. TOT.	207000		51751					
AREA CODE 930000				SUBTOTAL	2854.92	51219	2850.64	
FULL CASH (SECONDARY) VALUES				SECONDARY				FIRST HALF TAX AMOUNT 1,673.52
TYPE	FULL CASH	%	ASSESSED					
LAND/BLDG PERSONAL EXEMPTION	2498 204502	25.0	625 51126	FLOOD CAWCD OVERRIDES FIRE DIST. ASST. LIBRARY BONDS - COUNTY - CITY - SCHOOLS - COMM COL. SUBTOTAL	1.32 80.62 96.00 3.54 26.30 35.35 835.89 69.44 928.46	2119 1200 1859 0069 0521 8621 1181 15550	1.32 62.12 96.20 3.56 26.96 446.16 60.08 896.40	SECOND HALF TAX AMOUNT 1,673.52 DUE OCT. 1, 2004 DELINQUENT AFTER NOV. 1, 2004 DUE MARCH 1, 2005 DELINQUENT AFTER MAY 2, 2005 INTEREST ON LATE PAYMENT IS 18% PER YEAR PRORATED MONTHLY AS OF THE FIRST DAY OF THE MONTH. ARS 42-18053
SEC. TOT.	207000		51751					
SPECIAL DISTRICT (VALUE/ACRES/SQ FT) = ASSESSED				DIST #				
IF NOT PAID BY DELINQUENT DATES, CALL OR WRITE FOR INTEREST AMOUNT.					3783.38	TOTALS	\$3,347.04	KEEP THIS PORTION FOR YOUR RECORDS

In accordance with the Americans with Disabilities Act, the County Treasurer will provide materials in alternative formats and
will make other reasonable accommodations upon request.

(14085 = PRTCNTL)

DETACH AND RETURN WITH PAYMENT

PARCEL/ACCOUNT # 627-39-300 7

2004 SECOND HALF PAYMENT STUB

DUE MARCH 1, 2005

DELINQUENT AFTER MAY 2, 2005

TONTO HILLS UTILITY CO

MAKE CHECK PAYABLE TO:

Maricopa County Treasurer

P O Box 78574

Phoenix, AZ 85062-8574

MAKE CHANGES TO MAILING ADDRESS BELOW:

PRINT THE ABOVE PARCEL /
ACCOUNT # ON YOUR CHECK

U.S. FUNDS ONLY

SECOND HALF	\$1,673.52
-------------	------------

0400000000200003347040000167352627393000075

PARCEL/ACCOUNT # 219-12-115 0

PROPERTY DESCRIPTION

SEC/LOT 115 TWN/BLK. RNG/TR

TONTA HILLS



MARICOPA COUNTY TREASURER

DOUG TODD, TREASURER
301 W JEFFERSON ST - RM 100
PHOENIX, AZ 85003-2199
http://treasurer.maricopa.gov

PHONE NUMBERS ON OTHER SIDE



118 261 *****AUTOCR**H-007
TONTA HILLS UTILITY COMPANY
11802 E BLUE WASH RD
CAVE CREEK, AZ 85331-2841

MARICOPA COUNTY 2004 PROPERTY TAX STATEMENT

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION.

\$25.00 CHARGE IF CHECK FAILS TO CLEAR BANK.

YOUR CHECK IS YOUR RECEIPT.

LIMITED (PRIMARY) VALUES				PRIMARY	COMPARATIVE 2003 AMT	2004 DISTRIBUTION		OFFICE USE ONLY
TYPE	LIMITED	%	ASSESSED			RATE / 100	2004 AMT DUE	
LAND/BLDG PERSONAL EXEMPTION	86075	10.0	8608	COUNTY EDUC. EQUAL CITY SCHOOL CO. EDUC COMM. COL.	94.75 36.91 237.09 73.83	12108 04560 25340 9211	104.23 39.25 218.13 79.29	PRTKEY=85331 SEQ=493106 MTG# LOAN#
PRIM. TOT.	86075		8608	STATE AID	-72.50	CREDIT	-72.44	
AREA CODE 930000				SUBTOTAL	369.88	51219	368.46	
FULL CASH (SECONDARY) VALUES				SECONDARY				FIRST HALF TAX AMOUNT
TYPE	FULL CASH	%	ASSESSED					
LAND/BLDG PERSONAL EXEMPTION	103000	10.0	10300	FLOOD CAWCD OVERRIDES FIRE DIST. ASST. LIBRARY "BONDS" - COUNTY - CITY - SCHOOLS - COMM COL. SUBTOTAL	21.82 12.36 19.58 72 5.36 7.21 129.71 14.16 210.92	2119 1200 1859 0069 0521 8621 1161 15550	21.82 12.36 19.14 72 5.36 88.80 11.96 160.16	DUE OCT. 1, 2004 DELINQUENT AFTER NOV. 1, 2004
SEC. TOT.	103000		10300					SECOND HALF TAX AMOUNT 238.22
SPECIAL DISTRICT (VALUE/ACRES/SQ FT) = ASSESSED				DIST #				DUE MARCH 1, 2005 DELINQUENT AFTER MAY 2, 2005
IF NOT PAID BY DELINQUENT DATES, CALL OR WRITE FOR INTEREST AMOUNT.					580.80	TOTALS	\$528.62	INTEREST ON LATE PAYMENT IS 16% PER YEAR PRORATED MONTHLY AS OF THE FIRST DAY OF THE MONTH. ARS § 42-18053
								KEEP THIS PORTION FOR YOUR RECORDS

*MARICOPA COUNTY TREASURER HAS APPLIED AN OVERPAYMENT OF \$290.40 FROM THE PRIOR YEAR TOWARDS YOUR 2004 TAXES WHICH IS REFLECTED IN THE PAYMENT STUB(S).

In accordance with the Americans with Disabilities Act, the County Treasurer will provide materials in alternative formats and will make other reasonable accommodations upon request.

(12977 = PRTCNLT)

DETACH AND RETURN WITH PAYMENT

PARCEL/ACCOUNT # 219-12-115 0

2004 SECOND HALF PAYMENT STUB

DUE MARCH 1, 2005

DELINQUENT AFTER MAY 2, 2005

TONTA HILLS UTILITY COMPANY

MAKE CHECK PAYABLE TO:

Maricopa County Treasurer
P O Box 78574
Phoenix, AZ 85062-8574

PRINT THE ABOVE PARCEL / ACCOUNT # ON YOUR CHECK

U.S. FUNDS ONLY

SECOND HALF	\$238.22
-------------	----------

MAKE CHANGES TO MAILING ADDRESS BELOW:

0400000000200000238220000023822219121150001

PARCEL/ACCOUNT# 219-12-115 0

MARICOPA COUNTY TREASURER

DOUG TODD, TREASURER
301 W JEFFERSON ST - RM 100
PHOENIX, AZ 85003-2199
http://treasurer.maricopa.gov
PHONE NUMBERS ON OTHER SIDE

PROPERTY DESCRIPTION
SEC/LOT: 15 TWN/BLK. RNG/TR
TONTA HILLS

MARICOPA COUNTY 2003 PROPERTY TAX STATEMENT

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION.

\$25.00 CHARGE IF CHECK FAILS TO CLEAR BANK.

YOUR CHECK IS YOUR RECEIPT.

*****AUTOCR**H-007
TONTA HILLS UTILITY COMPANY
11802 E BLUE WASH RD
CAVE CREEK AZ 85331-2841



LIMITED (PRIMARY) VALUES				PRIMARY	COMPARATIVE 2002 AMT	2003 DISTRIBUTION		OFFICE USE ONLY
TYPE	LIMITED	%	ASSESSED			RATE / 100	2003 AMT DUE	
LAND/BLDG PERSONAL EXEMPTION	78250	10.0	7825	COUNTY EDUC. EQUAL CITY SCHOOL CO. EDUC COMM. COL.	84.76 34.22 215.56 67.44	12108 04717 30298 9410	84.75 36.91 237.09 73.63	PRTKEY=85331 SEQ=425002 MTG= LOAN#= W
PRIM. TOT.	78250		7825	STATE AID	-75.46	CREDIT	-72.50	
AREA CODE 930000				SUBTOTAL	328.52	56533	369.88	
FULL CASH (SECONDARY) VALUES				SECONDARY				FIRST HALF TAX AMOUNT
TYPE	FULL CASH	%	ASSESSED	FLOOD CAWCD OVERRIDES FIRE DIST. ASST. LIBRARY *BONDS** -COUNTY -CITY -SCHOOLS -COMM COL.	21.82 13.40 21.66 78 4.34 8.24 187.86 15.38 253.48	2119 1200 1901 0070 0521 0700 12592 1375 20478	21.82 12.36 19.58 72 5.36 7.21 129.71 14.16 210.92	<i>10/28</i> DUE OCT. 1, 2003 DELINQUENT AFTER NOV. 3, 2003 <i>ck 3071</i>
LAND/BLDG PERSONAL EXEMPTION	103000	10.0	10300	*BONDS** -COUNTY -CITY -SCHOOLS -COMM COL.	8.24 187.86 15.38 253.48	0700 12592 1375 20478	7.21 129.71 14.16 210.92	SECOND HALF TAX AMOUNT <i>4/19 ck 290.40</i> DUE MARCH 1, 2004 DELINQUENT AFTER MAY 3, 2004
SEC. TOT.	103000		10300	SUBTOTAL				INTEREST ON LATE PAYMENT IS 18% PER YEAR PRORATED MONTHLY AS OF THE FIRST DAY OF THE MONTH. ARS 42-18053
SPECIAL DISTRICT (VALUE/ACRES/80 FT)= ASSESSED				DIST#				KEEP THIS PORTION FOR YOUR RECORDS
IF NOT PAID BY DELINQUENT DATES, CALL OR WRITE FOR INTEREST AMOUNT					580.00	TOTALS	\$580.80	

*MARICOPA COUNTY TREASURER HAS APPLIED AN OVERPAYMENT OF \$290.00 FROM THE PRIOR YEAR TOWARDS YOUR 2003 TAXES WHICH IS REFLECTED IN THE PAYMENT STUB(S).

In accordance with the Americans with Disabilities Act, the County Treasurer will provide materials in alternative formats and will make other reasonable accommodations upon request.

(L 39,766-PRCHTL)

MARICOPA COUNTY TREASURER

DOUG TODD, TREASURER
301 W JEFFERSON ST - RM 100
PHOENIX, AZ 85003-2199
http://treasurer.maricopa.gov
PHONE NUMBERS ON OTHER SIDE

SEC/LOT PROPERTY DESCRIPTION
TWN/BLK RNG/TR
TOTAL VALUE OF OPERATING PROPERTY

MARICOPA COUNTY 2003 PROPERTY TAX STATEMENT

NOTICE: SEE REVERSE SIDE FOR
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YOUR CHECK IS YOUR RECEIPT.

TONTO HILLS UTILITY CO
11802 E BLUE WASH RD
CAVE CREEK AZ 85331

LIMITED (PRIMARY) VALUES				PRIMARY	COMPARATIVE 2002 AMT	2003 DISTRIBUTION		OFFICE USE ONLY
TYPE	LIMITED	%	ASSESSED			RATE / 100	2003 AMT DUE	
LAND/BLDG PERSONAL EXEMPTION	2501 199499	25.0	625 49875	COUNTY EDUC. EQUAL CITY SCHOOL CO. EDUC COMM. COL.	599.35 242.01 1524.40 476.88	12108 04717 30298 9410	611.46 238.21 1530.05 475.20	PRTKEY= SEQ= 3313 MTG= LOAN#= W
PRIM. TOT.	202000		50500					
AREA CODE 930000				SUBTOTAL	2842.84	58533	2854.82	
FULL CASH (SECONDARY) VALUES				SECONDARY				FIRST HALF TAX AMOUNT
TYPE	FULL CASH	%	ASSESSED					10/28 1,891.69
LAND/BLDG PERSONAL EXEMPTION	2501 199499	25.0	625 49875	FLOOD CAWCD OVERRIDES FIRE DIST. ASST. LIBRARY *BONDS** -COUNTY -CITY -SCHOOLS -COMM COL.	1.10 64.38 104.08 3.78 20.84 39.60 306.70 73.90 1114.32	2119 1200 1901 0070 0521 0700 12592 1375 20478	1.32 60.82 96.00 3.54 26.30 35.35 835.89 69.44 928.46	DUE OCT. 1, 2003 DELINQUENT AFTER NOV. 3, 2003 ck 3076
SEC. TOT.	202000		50500	SUBTOTAL				SECOND HALF TAX AMOUNT
SPECIAL DISTRICT (VALUE/ACRES/SQ FT) = ASSESSED				DIST#				1,891.69
								DUE MARCH 1, 2004 DELINQUENT AFTER MAY 3, 2004 ck 179
								INTEREST ON LATE PAYMENT IS 18% PER YEAR PRORATED MONTHLY AS OF THE FIRST DAY OF THE MONTH. ARS 42-18053
IF NOT PAID BY DELINQUENT DATES, CALL OR WRITE FOR INTEREST AMOUNT					3956.96	TOTALS	\$3,783.38	KEEP THIS PORTION FOR YOUR RECORDS

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(224-PRICENTL)